



February 23, 2007

SENATE BILL No. 336

DIGEST OF SB 336 (Updated February 21, 2007 4:50 pm - DI 110)

Citations Affected: IC 8-14; IC 36-1.

Synopsis: Donations by local units to community foundations. Allows a unit of local government (unit) to donate money in the unit's local major moves construction fund to a charitable nonprofit community foundation. (Current law allows the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to be donated.) Allows a donation by a unit to be held by a charitable nonprofit community foundation as either a permanent endowed designated fund or as a nonendowed designated fund. Requires a unit to specify whether a donation shall be held by the charitable nonprofit community foundation as a permanent endowed designated fund or as a nonendowed designated fund. Provides that if a unit specifies a donation shall be held as a nonendowed designated fund the unit has access to the donation and income at any time.

Effective: July 1, 2007.

Riegsecker

January 11, 2007, read first time and referred to Committee on Commerce, Public Policy & Interstate Cooperation.
February 22, 2007, amended, reported favorably — Do Pass.

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SB 336—LS 7526/DI 73+



February 23, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 336

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-14-16-5, AS ADDED BY P.L.47-2006,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]: Sec. 5. Money in the fund may be expended only for
4 the following purposes:

5 (1) Construction of highways, roads, and bridges.

6 (2) In a county that is a member of the northwest Indiana regional
7 development authority, or in a city or town located in such a
8 county, any purpose for which the regional development authority
9 may make expenditures under IC 36-7.5.

10 (3) Providing funding for economic development projects (as
11 defined in IC 6-3.5-7-13.1(c)(1) or IC 6-3.5-7-13.1(c)(2)(A)
12 through IC 6-3.5-7-13.1(c)(2)(K)).

13 (4) Matching federal grants for a purpose described in this
14 section.

15 (5) Providing funding for interlocal agreements under IC 36-1-7
16 for a purpose described in this section.

17 (6) Providing the county's or city's contribution to the northwest

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Indiana regional development authority, in the case of a county described in section 1(3) of this chapter or a city described in IC 36-7.5-2-3(e).

(7) Making a donation to a charitable nonprofit community foundation under IC 36-1-14-1.

SECTION 2. IC 36-1-14-1, AS AMENDED BY P.L.2-2006, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This section does not apply to donations of proceeds from riverboat gaming to a public school endowment corporation under IC 20-47-1-3.

(b) As used in this section, "riverboat gaming revenue" means tax revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate **money deposited in the unit's local major moves construction fund under IC 8-14-16**, the proceeds from the sale of a utility or facility, or **the proceeds** from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to a foundation under the following conditions:

(1) The foundation is a charitable nonprofit community foundation.

(2) The foundation retains all rights to the donation, including investment powers.

(3) The foundation agrees to do the following:

(A) Hold the donation as a permanent ~~endowment~~ **endowed designated fund or as a nonendowed designated fund**.

(B) ~~Distribute the income from the donation~~ **Except as provided in subsection (e), make distributions** only to the unit as directed by resolution of the fiscal body of the unit.

(C) Return the donation to the general fund of the unit if the foundation:

(i) loses the foundation's status as a public charitable organization;

(ii) is liquidated; or

(iii) violates any condition of the endowment set by the fiscal body of the unit.

(d) A unit shall, at the time the unit makes a donation to a charitable nonprofit community foundation under this section, specify whether the donation shall be held by the charitable nonprofit community foundation as a permanent endowed designated fund or as a nonendowed designated fund.

(e) If a unit specifies that the donation shall be held by the

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1 charitable nonprofit community foundation as a nonendowed
2 designated fund under subsection (d), the unit shall have access to
3 the donation and income from the donation at any time.

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COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill No. 336, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 27, delete "Make" and insert **"Except as provided in subsection (e), make"**.

Page 2, after line 41, begin a new paragraph and insert:

"(e) If a unit specifies that the donation shall be held by the charitable nonprofit community foundation as a nonendowed designated fund under subsection (d), the unit shall have access to the donation and income from the donation at any time."

and when so amended that said bill do pass.

(Reference is to SB 336 as introduced.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 10, Nays 0.

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